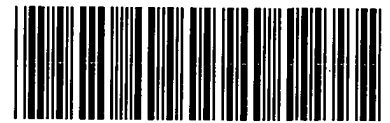


INGENIOUS FILM PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2014

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COMPANIES HOUSE

Limited Liability Partnership Number: OC 308659

ANNUAL REPORT AND FINANCIAL STATEMENTS

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**MEMBERS' REPORT
31 JANUARY 2014**

The members submit the Annual Report and Financial Statements of Ingenious Film Partners LLP ("the Partnership") for the year ended 31 January 2014.

Principal activities

The Partnership was formed to conduct an integrated film business. Based in the UK, it draws on a deep pool of talent, both on and off screen, to produce and deliver a 'slate' of theatrical films in association with a mix of leading independent producers and studios.

The Partnership has adopted a sophisticated project selection procedure to manage risks from the outset and will only produce films where there is a strong likelihood of distribution and where it is able to secure a participation in gross sales receipts arising from that distribution. The Partnership has also operated in other aspects of the film production and distribution value chain thereby deploying capital across activities with differing risk profiles.

Review of the year

Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited ("the Designated Members") served as Designated Members during the year.

During the year the Partnership completed and delivered the film Black Nativity to Twentieth Century Fox. The Partnership continues to receive distribution income as remuneration for previous film production activities.

Future developments

The Partnership is well positioned to benefit from its ongoing production activities and from its relationship with Ingenious Media Holdings plc and its subsidiaries ("the Group").

Policy regarding members' drawings and capital

The Designated Members are not entitled to drawings. In accordance with the Members' Agreement, no ordinary member shall be entitled to make any drawings on account of profits to which they are entitled unless permitted under that agreement.

The operating cash requirements of the Partnership shall be met out of the members' initial contributions and no member shall be required to make any further funding available after his or her admission as a member (save to the extent of their liability on a winding up).

The capital of the remaining seven ordinary members who elected not to retire from the Partnership is retained by the Partnership until such time as they retire.

MEMBERS' REPORT (CONTINUED)
31 JANUARY 2014

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial period. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The members are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the members are aware:

- there is no relevant audit information of which the Partnership's auditor is unaware; and
- the members have taken all steps that they should have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

These responsibilities are exercised by the Designated Members on behalf of the Partnership.

Auditor

Shipleys LLP are deemed to be re-appointed under s487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This report was approved by the Designated Members on 29/10/2014 and signed on their behalf by:



Waterloo Film Partner 1 Limited
 Designated Member



Waterloo Film Partner 2 Limited
 Designated Member

Registered office
 15 Golden Square
 London W1F 9JG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS FILM PARTNERS LLP

We have audited the financial statements of Ingenious Film Partners LLP for the year ended 31 January 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, Notes to the Cash Flow Statement and the related notes 1 to 8. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Partnership's members, as a body, in accordance with section Chapter 3 of Part 16 of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditor

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 January 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

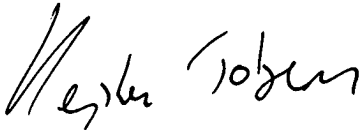
In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INGENIOUS FILM PARTNERS LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, requires us to report to you if, in our opinion:

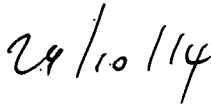
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Joberns (Senior Statutory Auditor)

for and on behalf of Shipleys LLP (Statutory Auditor)
10 Orange Street, Haymarket, London, WC2H 7DQ

Date:



**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2014**

	Notes	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
Turnover	1	1,296	1,873
Cost of sales		<u>(564)</u>	<u>-</u>
Gross profit		732	1,873
Operating expenses		<u>(18)</u>	<u>(18)</u>
Operating profit	2	<u>714</u>	<u>1,855</u>
Profit for the financial year	6	714	1,855

All of the Partnership's results are derived from continuing operations during the current and prior year.

The Partnership has no recognised gains and losses other than those shown above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

The notes on pages 9 to 12 form an integral part of the financial statements.

BALANCE SHEET
AS AT 31 JANUARY 2014

	Notes	31 January 2014 £'000s	31 January 2013 £'000s
Current assets			
Debtors	4	74,714	73,708
Cash at bank		<u>2,015</u>	<u>2,722</u>
		76,729	76,430
Creditors: Amounts falling due within one year	5	<u>(2,807)</u>	<u>(2,431)</u>
Net current assets		<u>73,922</u>	<u>73,999</u>
Net assets attributable to members		<u>73,922</u>	<u>73,999</u>
Members' interests			
Members' capital accounts	6	514,182	513,645
Other reserves	6	<u>(440,260)</u>	<u>(439,646)</u>
Total members' interests		<u>73,922</u>	<u>73,999</u>
Memorandum of members' total interests			
Members' other interests	6	<u>73,922</u>	<u>73,999</u>
Total members' interests		<u>73,922</u>	<u>73,999</u>

The notes on pages 9 to 12 form an integral part of the financial statements.

The financial statements were approved by the Designated Members and authorised for issue on and signed on their behalf by:

29/10/14

Waterloo Film Partner 1 Limited
Designated Member

Waterloo Film Partner 2 Limited
Designated Member

Limited Liability Partnership Number: OC 308659

CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2014

	Notes	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
Net cash flow from operating activities	A	84	5,875
Transactions with members	B	(791)	(4,777)
(Decrease)/increase in cash in the year	C,D	(707)	1,098

The notes on pages 9 to 12 form an integral part of the financial statements.

**NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2014**

A) Reconciliation of operating profit to net cash flow from operating activities

	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
Operating profit	714	1,855
(Increase)/decrease in debtors	(1,006)	2,991
Increase in creditors	376	1,029
Net cash flow from operating activities	84	5,875

B) Transactions with members

	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
Members' drawings	(1,328)	(4,761)
Capital introduced by members	537	-
Capital contribution repaid to members	-	(16)
Net cash flow from transactions with members	(791)	(4,777)

C) Analysis of net funds

	At 1 February 2013 £'000s	Cash flow £'000s	At 31 January 2014 £'000s
Cash at bank	2,722	(707)	2,015

D) Reconciliation of net cash flow to movement in net funds

	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
(Decrease)/increase in cash in the year	(707)	1,098
Movement in net funds resulting from cash flows	(707)	1,098
Net funds at start of year	2,722	1,624
Net funds at end of year	2,015	2,722

The notes on pages 9 to 12 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
31 JANUARY 2014**

1. Accounting policies

The Partnership was incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnerships Act 2000.

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards. The financial statements are prepared in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and Statement of Recommended Practice on Accounting for Limited Liability Partnerships. The particular accounting policies adopted are described below:

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

Taxation

No current or deferred taxation is provided in the financial statements as the liability for taxation falls on the members.

Long-term contracts

Long-term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Provision is made for the full amount of foreseeable losses on contracts.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account.

Joint Arrangement Not an Entity ("JANE")

In a prior period the Partnership entered into a film services agreement with Ingenious Media Services Limited, to source and undertake various film-related activities on its behalf. The Partnership maintains a right of approval over any such transactions entered into on its behalf and also over the uses of such funds advanced until such opportunities arise.

In the view of the members the above arrangement constitutes a JANE, as defined by FRS 9, Associates and Joint Ventures. Accordingly, all transactions entered into by Ingenious Media Services Limited under the film services agreement are recorded in the Partnership's financial statements to correctly reflect the substance of those transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 JANUARY 2014

2. Operating profit

	Year ended 31 January 2014 £'000s	Year ended 31 January 2013 £'000s
The operating profit is stated after charging:		
Auditor's remuneration for audit services	5	6

3. Information relating to members

No member received remuneration from the Partnership during the current or prior year.

The average number of members in the year was 11 (year ended 31 January 2013: 11). The average allocation of profit was therefore £64,940 (year ended 31 January 2013: £168,657) and the largest allocation of profit to any single member was £714,338 (year ended 31 January 2013: £1,855,229).

4. Debtors

	31 January 2014 £'000s	31 January 2013 £'000s
Trade debtors	485	530
Amounts owed by Group companies	73,678	73,178
Other debtors	551	-
	<u>74,714</u>	<u>73,708</u>

5. Creditors: Amounts falling due within one year

	31 January 2014 £'000s	31 January 2013 £'000s
Amounts owed to Group companies	2,728	2,356
Other creditors	67	65
VAT payable	7	4
Accruals	5	6
	<u>2,807</u>	<u>2,431</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 JANUARY 2014

6. Reconciliation of movement in members' interests

	Members' capital	Other reserves	Total members' other interests	Loans and other debts due to members	2014 Total	2013 Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at start of year	513,645	(439,646)	73,999	-	73,999	76,921
Profit for the financial year	-	714	714	-	714	1,855
Members' interests after profit for the financial year	513,645	(438,932)	74,713	-	74,713	78,776
Capital repaid to members	-	-	-	-	-	(16)
Capital introduced by members	537	-	537	-	537	(4,761)
Members' drawings	-	(1,328)	(1,328)	-	(1,328)	-
Members' interests at end of year	514,182	(440,260)	73,922	-	73,922	73,999

In the event of a winding up the Partnership's creditors are paid from any surplus assets prior to their distribution to the members.

7. Related party disclosures

Ingenious Film Partners Limited ("the First Corporate Member", a member of the Partnership), IFP1 Corporate Partner Limited ("the Second Corporate Member"), Ingenious Media Investments Limited, Ingenious Media Services Limited, Ingenious Resources Limited, Ingenious Treasury Services Limited and the Designated Members are all wholly-owned subsidiaries of Ingenious Media Limited which is itself a wholly-owned subsidiary of Ingenious Media Holdings plc, the ultimate parent company of the Group.

Patrick A. McKenna is a member of the Partnership and is also a director of Ingenious Media Investments Limited and Ingenious Media Limited, as well as a director and shareholder of Ingenious Media Holdings plc.

As at the year end capital of £71m (year ended 31 January 2013: £71m) remains unpaid by the Second Corporate Member.

During the year, operator fees charged by Ingenious Media Investments Limited of £5k (year ended 31 January 2013: £13k) were included in operating expenses. As at the year end, £3k (year ended 31 January 2013: £11k) owed to Ingenious Media Investments Limited was included in creditors.

During a prior period, Ingenious Resources Limited made loans totalling £204m to the ordinary members of the Partnership. These loans fall due for repayment after more than one year. As at the year end £2m (year ended 31 January 2013: £2m) remained outstanding.

During a prior period, the Partnership entered into a film services agreement with Ingenious Media Services Limited. Any unspent funds awaiting expenditure under this agreement are invested with Ingenious Treasury Services Limited the balance of which at the year end is £2m (year ended 31 January 2013: £2m). No fees were charged by Ingenious Media Services Limited during the year (year ended 31 January 2013: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 JANUARY 2014

8. Controlling party

The First Corporate Member controls the financial and operating policies of the Partnership. The ultimate parent company of the First Corporate Member is Ingenious Media Holdings plc. The results of the Partnership have been consolidated in the financial statements of Ingenious Media Holdings plc.

The consolidated financial statements of Ingenious Media Holdings plc can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The controlling shareholder of Ingenious Media Holdings plc in the year was Patrick A. McKenna.